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Dependent Care Assistance Account: Eligible Dependents and Eligible Expenses

Eligible Dependents

- Your child age 12 or younger of whom you have custody and for whom you are entitled to claim a deduction on your federal tax return. For children of divorced or separated parents, only the parent with custody (rights to claim the child for tax purposes) can consider the child an eligible dependent under this plan.
- Your child of any age who is physically or mentally unable to care for him/herself, even if he/she does not entitle you to a deduction on your federal tax return.
- Your spouse who is physically or mentally unable to care for him/herself, even if he/she does not entitle you to a deduction on your federal tax return.

Eligible Dependent Care Expenses

The following types of care are reimbursable from this plan:

- Care provided inside or outside your home by anyone other than: your spouse, a person you list as your dependent for income tax purposes, or one of your children under age 19.
- If your dependent is in 1st grade or higher (through age 12), the cost of schooling must be separated from the cost of care.
- If your dependent is under 1st grade and the cost of care and the cost of schooling can be separated, then only the cost of care is reimbursable. However, if the cost of schooling is incident to and cannot be separated from the cost of care, the total cost is reimbursable.
- A dependent care center or child care center (if the center cares for more than six children, it must comply with all applicable state and local regulations).
- A housekeeper, au pair or nanny whose services include, in part, providing care for a qualifying dependent.
- Day care costs while in day camps; overnight camp costs are not reimbursable.

Please Note:

- To qualify for reimbursement, you must provide your dependent care provider's tax ID number or Social Security number on your federal tax return (IRS form 2441). If you fail to provide this information, your DCSA reimbursements may not be eligible and may be reclassified as taxable income by the IRS.
- You are responsible for making sure that the expenses you submit for reimbursement are considered eligible expenses by the IRS. If you are not sure whether an expense is eligible, contact EBS Customer Service or refer to IRS Publication 503: "Child and Dependent Care Expenses." This publication is available by calling the IRS at 800-829-3676 or through the IRS website in the Forms and Publications section.